



Insurance Department

State of Utah

GARY R. HERBERT

Governor

GREG BELL

Lieutenant Governor

TODD E. KISER

Acting Commissioner

State of Utah Title and Escrow Commission Meeting Meeting Information

Date: **July 8, 2013** **Time:** **9:00 AM**

Place: East Bldg, **Spruce** Room

MEMBERS

(Attendees=x)

COMMISSION MEMBERS

xChair, Larry Turner Blake, *Washington Cnty*

xMatthew Blaine Sager, *Maricopa Cnty, AZ*

xCo-Chair, Kirk Donald Smith, *Weber Cnty*

Sylvia Skinner Andersen, *Public Member*

xJeffery Donald Wiener, *Salt Lake Cnty*

DEPARTMENT STAFF

xPerri Babalis, *AG Counsel*

xBrett Barratt, *Deputy Comm.*

xMark Kleinfeld, *ALJ*

Suzette Green-Wright, *MC Dir.*

xTammy Greening, *Examiner*

xJilene Whitby, *PIO Recorder*

Tracy Klausmeier, *P&C Director*

xTammy Minson, *Notary*

MEMBERS OF PUBLIC

David Moore

Carol Yamamoto

Jay Blake

Tige Garner

Roy Poll

Blake Heiner

Mike Smith

James Seaman

Glen Roberts

Branden Allen

MINUTES

General Session: (Open to the Public)

- **Welcome / Larry Blake, Chair**
Larry began meeting began at 9:10am welcoming visitors and new Commission members.
- **Install New Members and Complete Paperwork / Jilene & Tammy**
Matthew and Jeffery took the Oath of Office and completed paperwork regarding confidentiality and expense reimbursement.
- **Review of Title & Escrow Commission Duties / Perri**
Perri reviewed main duties of the Commission, such as: rulemaking; determination of amount of assessment; conducting or deferring administrative hearings; impose penalties; advising commissioner on administration, enforcement and budgetary matters, and other duties as provided. See Subsection 31A-2-402(2) for a more complete description of duties.
- **Adopt Minutes of Previous Meeting**
Kirk corrected spelling on first, page, 3rd bullet under "Adopt Minutes...." The word "fooling" should be "following."
Kirk made a **motion** to approve June minutes, Jeff seconded it and the vote was unanimous.
- **Reports**
 - **Concur with Licensee Report / Tammy**
Report was not available. Deferred to next meeting.
 - **Concur with Complaint & Enforcement Reports for July / Tammy**
Tammy provided general information about the report for the new members, including difference between ICases (investigations) and ECases (enforcement). She also noted that complaints from consumers go to consumer service personnel and can be transferred to the Market Conduct Division if an investigation is needed. Jeff made a **motion** to concur with the report, seconded by Matt, the vote was unanimous.
 - **Request for Dual Licensee Expedited Request:** None
 - **Request for Attorney Exemption:** None

- **Administrative Proceedings Action / ALJ**
 - **Stipulation & Order:**
 - **Eastwood Title Insurance Agency:** Default & Default Order
Respondent failed to appear at a hearing set by the Department. Department recommends license be revoked.
 - **1st Liberty Title LC**
Vice president, Jax Hale Pettey's license lapsed and 86 closing performed. It was also found that Mr. Pettey had never been associated to 1st Liberty. Department recommends forfeiture of \$2,500.
 - **Jax Hale Pettey** (V.P. of 1st Liberty Title)
License lapsed August 31, 2012 through January 10, 2013, during which time 86 closings were performed. Department recommended \$1,500 forfeiture.
Larry asked how many searches had been done. Tammy did not know. Larry hoped the Department would report this information in the future.
 - **Motion** by Kirk to approve recommendations regarding Eastwood Title, 1st Liberty Title and Jax Hale Pettey, seconded by Matt and vote was unanimous.
 - **Request for a Hearing:** None
 - **Order to Show Cause:** None
 - **Informal Adjudicative Proceeding & Order:** None
 - **Formal Adjudicative Proceeding:** None
- **Old Business**
 - **Discuss Proposed Rule Amendments to [R592-2-7\(2\)](#) / Perri**
 - Perri provided amended rule with additional changes from last month's version. The list in Subsection R592-2-7 (2)(b) has been eliminated. Language in Subsection (3) changed to follow language in Subsection (2). Subsection R592-2-6(2) now includes relevant code citation. Section 5 has not been change since 2006 or 2007. Penalties in this section have been updated. Perri also noted that there is no strikeout in Subsection 7(2) because the 2013 Legislature removed it from the rule.
 - Once the Commission approves the changes the rule will begin the formal rulemaking process, which may include a hearing.
 - Keep this on the agenda for next month.
 - People should contact Perri if they have comments regarding changes or other changes they would like made to the rule. Call (801)366-0364 or email pbabalis@utah.gov. Jilene was asked to make sure contact information for Commission and staff is updated and everyone has a copy.
 - Jeff asked for explanation of different types of enforcement action: informal, stipulation and order, and formal. Mark explained.
 - "Informal" actions are less serious like failing to make a filing or pay an assessment. There is no question of fact. A notice automatically goes out from the Department and if respondent does not ask for a hearing, the order and assessment are final. Normally these do not move onto formal action.
 - "Formal" action normally for something more serious like embezzlement. If a respondent does not agree with recommendation of Department, the case is sent to enforcement and formal action. Specific procedures are required. Here the Commission is given the opportunity to hear the case or defer it to Mark.
 - **Discuss Issue of Providing Lenders with Disbursement Schedules, Canceled Checks and Access to all Records, Post Closing / Larry**
 - **Feedback from ULTA.**
James said ULTA's Underwriting section has discussed this issue but ULTA has not met yet to hear their findings. Larry asked where the Commission should go with this matter. Mat noted that there are federal guidelines and wondered what the

Commission could do. Larry said it came down to how to disperse on split closings. If not doing a split closing then there was no violation. Matt said the current statutes and rules are not clear on the subject. Jeff said CFPB would be coming out with changes in September. Suggested waiting until they see what the changes are before taking any action. Jeff suggested keeping this on the agenda to get ULTA's comments.

- **New Bulletin Re: [31A-19a-209\(3\)](#) and [R592-15-7](#) Requiring That Rates & Charges Cannot be for Less than the Cost of Doing Insurance or Escrow Business** / Brett
Keep on agenda so Brett can address when he returns.
- **New**
 - **Appointment of manager to manage two companies** / Larry.
A person has asked how to report who is a qualified licensee to manage two companies. Tammy said SIRCON had just added a place to include this information. A bulletin regarding this change will be sent by the department soon.
 - **Elect Chair & Co-Chair (31A-2-403(5))** / Perri
Commission members decided to vote for a new chair and co-chair without Sylvia. Kirk **nominated** Larry. It was noted that common practice is to have a new chair each year. Jeff **nominated** Kirk as chair and Larry as co-chair. Vote was unanimous.
- **Other Business**

Executive Session (None)

- **Adjourn:** **Motion** to adjourn by Larry, seconded by Jeff.
- **Next Meeting:** August 12 Spruce Room

2013 Meeting Schedule in Spruce Room
(2nd Monday except holidays, then 3rd Monday)

Jan 14	Feb 11	Mar 11	Apr 8	May 13	June 10
July 8	Aug 12	Sep 9	Oct 21	Nov 18	Dec 9